

UNITED STATES GOVERNMENT

Memorandum

06/31/77

(BN059)

TO : THE MINISTER

DATE: August 31, 1977

FROM : RSO:RJKelly *Ronald J Kelly*

ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/TPS

Margaret P. Grafeld, Director

(X) Release () Excise () Deny

Exemption(s):

Declassify: () In Part (X) In Full

() Classify as () Extend as () Downgrade to

Date Declassify on Reason

SUBJECT: Terrorist Estimates

RSO recently met with senior member of the Argentine Security Service. Source stated that 4-5 weeks ago the ERP was ordered by their leadership to leave the country due to the heavy casualties and loss of logistic support. They plan to return to Argentina if conditions become conducive. Those members who have never been identified as ERP and who have not been involved in operations will remain in Argentina. Source stated the Montoneros have lost unity and that their infrastructures have been seriously damaged. There is very little connection between various platoons and very little overall direction to their activities. The last member of the national conduction was apprehended 3-4 weeks ago and leadership is by second and third echelon persons.

Source stated that the cadre in Argentina are in very poor financial shape. Some have even been selling their weapons and are continually changing names and seeking new identities. Recently, some Montoneros - well educated, college graduates - have been discovered working in very menial positions in factories and similar areas. This is because they had to adopt new identities where they could be accepted without much document verification. Source stated that many are living in poor neighborhoods or moving in with friends and relatives to escape the security services. Recent prisoners have been poorly equipped; some had no money and have been in poor health due to the fact that they have been running and hiding and not able to take care of their personal needs. Source stated that at one time the terrorists were given \$2000 (US) when they were initiated into the Montonero organization, plus they received weekly or monthly salaries, depending on their position. However, now the remaining Montonero funds are in Europe under the control of the four national members who have been using it to propagandize the movement.

cc: POL/R
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Source stated that the main connecting link between the Montonero groups now is the magazine "Evita Montonero" and the latest edition, June, shows very inferior workmanship compared to even the March edition. The purpose of the magazine remains twofold: to issue broad-based directions to the Montonero platoons, but more important, to give them a sense of wholeness and to give the impression to the members that they are still an active force. Source stated that there have been numerous defections from the ranks of Montoneros but that some, particularly those that have been involved in killings, will probably not surrender and others who are emotionally unbalanced will remain with the movement until they are either captured or killed.

Source stated that recently the Army Command I released a statement saying that a large cache of arms and munitions had been blown up by defecting Montoneros who had left pamphlets in the area indicating their dissatisfaction with the Montonero leadership. Source stated this was actually a government psychological operation. Source stated that by next year the militant subversion will be eliminated and that will be the government's year of decision as to what other actions they are going to take concerning the subversive situation. Source stated that he believed the security forces are under reasonably good control of their military commanders. However, there are certain operations carried out that are for political and not subversive reasons. There also are numerous criminal activities carried out by the security forces. However, these are being sharply curtailed. For instance, in March of this year, security services were ordered to stop stealing automobiles to use in operations. At one-time these thefts were blamed on the terrorists but the actual fact is the major portion of them were committed by the security forces who needed vehicles for covert operations.

Source stated that at present there are many personal and political differences between persons who are orchestrating the security operation but there are no ideological differences insofar as how terrorism should be handled. That is a well agreed on position. Source stated that the military does not intend to get out of the security operation although they are trying to curtail certain abuses and that numerous cases are being turned over to military tribunals and civilian courts. However, certain cases will continue to be handled extralegally.

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